



WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT  
Division of Workforce Solutions  
Bureau of Work Support Programs

TO: **Economic Support Supervisors  
Economic Support Lead Workers  
Training Staff  
Child Care Coordinators  
W-2 Agencies**

FROM: Stephen M. Dow  
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Work Programs Section

SUBJECT: **SPECIAL SUMMER COST OF LIVING  
ALLOWANCE (COLA) CHANGES**

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**CROSS REFERENCE:** **Medical Assistance Handbook**  
BWSP Operations Memos 99-91, 00-87, 00-88 & 00-89

**EFFECTIVE DATE:** August 1, 2001

**PURPOSE**

This memo describes actions DWD and DHFS are taking to correct a federal mistake in the Social Security Administration (SSA) Cost of Living Allowance (COLA) adjustments resulting from an error in the 2000 Consumer Price Index.

**BACKGROUND**

SSA, as well as other federal agencies, are making plans to issue payments to correct an error made when calculating the Calendar Year 2000 Consumer Price Index (CPI). This error caused federal benefits to be slightly underpaid beginning January 2000.

SSA is taking 2 steps to correct this error:

1. SSA will send out a reimbursement check to their beneficiaries, which will correct underpayments made since January 1, 2000 to July 31, 2001.
2. Correcting future payments.

<b>BWSP OPERATIONS MEMO</b>	
No.:	01-42
File:	1210.0 2421 2721 2821
Date:	07/05/2001
_____	
Non W-2	<input checked="" type="checkbox"/> [X]
W-2	<input checked="" type="checkbox"/> [X]
CC	<input checked="" type="checkbox"/> [X]
PRIORITY:	High

For Social Security Payments (Retirement, Survivors and Disability Benefits), SSA will:

1. Initiate the correction as a Benefit Rate Increase (BRI) run in late June 2001, about June 22.
2. Depending upon the benefit to which an individual was entitled, SSA will make a payment to cover the underpayment periods beginning 01/2000. These amounts will be combined into a one-time payment, which will be paid in 07/01. See below for this payment's affect on eligibility.
3. Process a benefit rate increase for all Social Security beneficiaries in July 2001 which will be paid in August 2001. The new payment amount will be in effect for future months.

For SSI Payments (Supplemental Security Income), SSA plans to generate:

1. The reimbursement check to cover underpayments due to the CPI error for the period of January 2000 through July 2001. That payment will be issued in mid-07/01. See below for this payment's affect on eligibility.
2. Correct benefit payments for August 2001 and all future months, beginning August 2001.

### **ON-GOING PAYMENTS**

SSI and Social Security Benefits will increase effective 8/1/01. Therefore a Summer 2001 CARES Cost of Living Allowance (COLA) update will be run on 7/6/01. It will affect 85,000 cases. In the update, CARES will:

1. Update the Social Security and SSI unearned income payment amounts;
2. Update the MA SSI-related income limits;
3. Update the MA Institutional Income limits;
4. Update the MA Group B and C, income limits; and,
5. NOT Re-run eligibility for all 85,000 cases.

AFUI will be updated with the new amounts, but because of the small size of the amounts, eligibility (batch **ED/BC**) will **not** be run for any programs. Workers should run eligibility at the next reported change or next review. It is the worker's option to rerun eligibility sooner than the next change or review.

### **RETROACTIVE PAYMENTS**

SSA will send a reimbursement payment to all affected recipients for 7/1/01. This payment will be for the benefit months January 2000 through June 2001. The total amount is expected to be between \$35 and \$40.

### **AFFECT ON ELIGIBILITY**

Do not count these retroactive payments as income for Medicaid (MA) eligibility or post-eligibility processes, nor for Wisconsin Works (W-2), Child Care (CC) or Food Stamps (FS). If retained beyond the month of receipt, count the payments as an asset in the month following receipt.

### **CHANGES IN MONTHLY AMOUNT**

The COLA adjustments to the federal portion of the SSI benefit, effective 08-01-01, result in changes in the Medical Assistance income and asset levels, allowances, and deductions. There is no change in the level of the State Supplemental Payment to SSI recipients. The following table shows the changes made:

<b>Old Amount</b>	<b>New Amount</b>	<b>Description</b>
710.00	711.00	Community Waivers Basic Need Amount
1590.00	1593.00	Institutions CAT Needy Income Limit
530.00	531.00	SSI-Related Legal responsibility
1590.00	1593.00	Community Waiver Special Income Limit for 1 Person
530.00	531.00	SSI-Related Legal responsibility
437.11	437.78	SSI-Related MA CAT NDY Income Limit
176.67	177.00	SSI-Related MA shelter Limit
709.77	710.77	SSI-E Payment Level For 1 Person
266.00	265.00	SSI-Related Deeming AMT to Ineligible Minor
613.78	614.78	SSI Payment Level for 1 Person

### **CARES**

#### *EXCEPTIONS THAT ARE **NOT** UPDATED AUTOMATICALLY:*

1. When the federal COLA file has SSI Income, but there is no corresponding AFUI record on CARES, CARES will not be updated. The error message will be "SDX shows SSI eligible". (If the correct AFUI is on CARES, but with an amount of zero, the same message will appear on the information report and the case will be updated)
2. When there is information in the SSA COLA file and CARES has SSA and/or SSI income that is dated in the future (08/01 or later), CARES will not be updated. The information will be sent to the exception report. The error message is "Future Begin Date – No Update".
3. When the AFUI screen on CARES shows current information for either SSI or SSA and there is no information on the federal COLA file, one of the following messages will appear:
  - a. "No COLA Record for SSA".
  - b. "No COLA Record for SSI".
4. Cases that have multiple types of SSA income in CARES will have the information sent to the exception report, regardless of the COLA information. The error message is "Multiple SS records on CARES".
5. Cases that are overridden by ESS will not be updated and the information will be sent to an exception report. The error message is "Manual Override".

*EXCEPTIONS THAT ARE UPDATED AUTOMATICALLY:*

1. CARES shows SSA greater than zero and SSA COLA has \$0. Mass change will update CARES, and send the information to the exception reports. The message is "COLA shows no SSA".
2. CARES shows SSI greater than zero and SSA COLA has \$0. Mass change will update CARES, and send the information to the exception reports. The message is "COLA shows no SSI".
3. CARES does not show that the individual is entitled Medicare part B, but the federal COLA file does. The message is " Person is Part B Entitled".
4. CARES shows that the individual is entitled Medicare part B, but the federal COLA file does not. The message is " Person is not Part B Entitled".
5. The Medicare part B premium payor on CARES was different than the part B premium payor on the Federal COLA file.

*EOS REPORTS*

These 3 reports will be generated as a result of this mass change:

1. C308 MC200A-CMC COLA MC EXCEPTION LISTING BY AG: A list of cases that, for specific reasons, were not updated. This report lists the 'Exceptions'
2. C309 MC202A-CMC COLA MC – INFO/UPDATE BY AG: A list of exception cases that were updated, but that should be reviewed by the ES worker
3. C310 MC250A-CMC COLA MC – ALL INDIVS UPDATED: A list of all cases that were updated on AFUI or AFMD

**CONTACT**

DES CARES Information & Problem Resolution Center

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**Note:** Email contacts are preferred. Thank you.